

  
Chairman Linda W. Cropp

  
Councilmember Jack Evans

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Linda W. Cropp and Councilmember Jack Evans introduced the following bill,  
which was referred to the Committee on \_\_\_\_\_.

To amend Title 25 of the District of Columbia Code to allow for the establishment of pool  
buying groups to permit participants to purchase alcoholic beverages from a licensed  
retail agent.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That  
this act may be cited as the "Alcohol Pool Buying Groups Amendment Act of 2003".

Sec. 2. Title 25 of the D.C. Code is amended as follows:

(a) By amending Section 25-101 by adding new paragraphs 37A and 37B to read as  
follows:

"(37A) "Pool buying agent" means the licensed vendor who is registered by  
the pool buying group with the Alcohol Beverage Regulation Administration".

"(37B) "Pool buying group" means a group of two or more licensed on-  
premises restaurants, as defined in 25-113(b), who have been approved by the Alcoholic  
Beverage Regulation Administration to consolidate orders for alcoholic beverages ordered  
through a licensed pool buying agent from any lawful source in a single order, ensuring and  
increasing the availability of products for sale to consumers".

(b) By amending Section 25-112 by adding a new subsection (c)(3) as follows:

"(c)(3) A licensee that is a member or a pool buying group may acquire from other members of the same pool buying group any alcoholic beverages if:

(A) A pool member other than the buying agent transfers to another pool member any portion of the alcoholic beverages ordered by the transferee retailer as part of the single transaction pool purchase; and

(B) A transfer pursuant to this section is made within 7 days of the pool delivery without any cost or charge whatsoever being made against the transferee retailer;

(C) The acquisition of alcoholic beverage products is recorded in an invoice kept by both participating retailers for 3 years and includes:

(1) Business name and license number of each vendor;

(2) Names, sizes, and quantities of products transferred;

(3) Date delivery of products was received;

(4) Date physical transfer of products was made; and

(5) Unique identifier that links the record with a specific pool order; and

(D) The invoice includes the date of acquisition, the business names and addresses, the license names and numbers of both licenses involved, and the resale certificate number of the licensee acquiring the products for resale.

(c) By amending Section 25-102 by adding a new subsection (e) to read as follows:

(e)(1) "No person shall sell or transfer alcoholic beverages between members

of a pool buying group, except as to the combining of individual orders and the placement of  
a pool order with a distributor.

(2) In order to effectuate convenience or economies of delivery of pool  
orders, a pool member other than the buying agent may transfer to another pool member any  
portion of the alcoholic beverages ordered by the transferee retailer as part of the single  
transaction pool purchase provided:

(A) the acquisition of alcoholic beverage product is recorded in an  
invoice kept by both participating retailers for 3 years and the invoice includes that the  
transferee retailer has properly ordered such alcoholic beverages as part of the pool order, the  
date of acquisition, the business names and addresses, the license names and numbers of both  
licenses involved, the resale certificate number of the licensee acquiring the products for  
resale; and

(B) the transfer is being made without cost or charge by the transferor  
retailer of any nature whatsoever.

(3) Transfer pursuant to this subsection must be made within 7 days of the  
pool delivery without any cost or charge whatsoever being made against the transferee  
retailer."

(d) By amending Section 25-119(a) by adding the phrase "and a pool buying agent"  
after "an importation permit shall be issued to the licensee under a retailer's license, class A,  
B, C, or D,".

(e) By adding a new section 25-411 to read as follows:

"Sec. 25-411(1). Pool Buying Groups.

(A) A pool buying group shall be created in the following manner:

(1) Prior to operating as such, a pool buying group shall file with the Alcoholic Beverage Regulation Administration a copy of the agreement under which such group will operate. The Administration shall review the agreement and if the requirements of applicable law and rules are met shall approve the agreement.

(2) Any proposed amendment to a pool buying group shall be filed with and must be approved by the Administration in the same manner as original agreements, before and after proposed amendments shall be effective.

(3) Pool buying agreements shall include:

(A) the name and address the cooperative or pool buying group; and

(B) the name of the buying agent for the group; and

(C) the cooperative buying group's bylaws; and

(D) for each member, the licensee's name, business name, business address, business phone number, license number and the date each licensee joined the group; and

(E) the signatures of all the members of the pool buying group;

(F) attestation that the licensee is not a member of more than one pool buying group at that time; and

(G) the license status of each member.

(B) The buying agent must be a licensed retailer of alcoholic beverages in the District.

(C) A member of the pool group shall not be eligible to place an order with said group until such member has first executed the pool buying agreement and the licensee's name, business name, license number and the date of membership have been filed and approved with the Administration.

(D) Any additions or deletions to the membership of the pool buying group shall be provided to the Administration under signature of the buying agent. Such notice shall include the effective date of new members and/or the effective date of deletion of existing members. Such notice may be in letter form or on official forms which may be promulgated by the Administration.

(E) Upon the transfer, suspension or revocation of any alcoholic beverage license held by a member of a pool buying group, the Administration shall automatically delete such licensee from membership in a pool buying group.

(2) Application and Responsibilities of Pool Buying Retail Agent.

(A) The application for a pool buying group retail agent permit shall include:

- (1) the name of the pool buying group;
- (2) the appointed license retail agent for the pool buying group; and
- (3) a statement that the agent will fully comply with Chapter 9 and other regulations regarding record keeping.

(B) All taxes due on alcoholic beverages imported by an agent who has been issued an importation license shall be paid as prescribed in Chapter 9.

(C) Pool buying agents are required to maintain, for a period of 3 years, records of each pool order placed. The following information must be included in these

records:	1
(1) The date the pool order was placed and each date it was revised;	2
(2) The distributor who was given the order;	3
(3) The names and license numbers of each pool member participating	4
in the pool order;	5
(4) The price, discounts, and net price of all alcoholic beverages	6
ordered by each member in the pool order; and	7
(5) The date when deliveries of pool orders are made to the pool	8
buying agent's premises, which is a permitted off-premises storage area.	9
(D) The pool buying agent shall place the order under the name of the pool	10
buying group and provide instructions for delivery as well as each licensed retailer's part of	11
the pool order.	12
(E) Upon written request, a pool buying agent must make available for	13
inspection all papers and reports related to pool orders, purchases and payments within 10	14
days to any Administration employee."	15
(3) Payment.	16
(A) Individual members of a pool buying group must place their orders and	17
remit their payment to the pool buying agent.	18
(B) Payments shall be made payable to the pool buying agent or the	19
distributor.	20
(C) Distributors of alcoholic beverages may accept pool orders and payment	21
only from the designated pool buying agent of a pool buying group.	22

(h) By adding a new section 25-511 to read as follows:

"Sec. 25-511. Minimum fee for pool buying group retail importation permit.

The minimum annual license fee for a pool buying group agent importation permit shall be \$1000, in addition to any other license fees prescribed in this act".

Sec. 2. Rules and Regulations.

The Mayor shall promulgate proposed rules and regulations to administer this act within 180 days of its enactment. The proposed rules and regulations, as well as any subsequent rules and regulations, shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not approve or disapprove the rules and regulations, in whole or in part, by resolution with the 45-day review period, the proposed rules and regulations shall be deemed approved.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602 (c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233 (c)(3)).

Sec. 4. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.